

31A-20-108 Single risk limitation.

- (1) This section applies to all lines of insurance, including ocean marine and reinsurance, except:
- (a) title insurance;
 - (b) workers' compensation insurance;
 - (c) occupational disease insurance;
 - (d) employers' liability insurance; and
 - (e) health insurance.
- (2)
- (a) Except as provided under Subsections (3) and (4) and under Section 31A-20-109, an insurer authorized to do an insurance business in Utah may not expose itself to loss on a single risk in an amount exceeding 10% of its capital and surplus.
 - (b) The commissioner may adopt rules to calculate surplus under this section.
 - (c) An insurer may deduct the portion of a risk reinsured by a reinsurance contract worthy of a reserve credit under Sections 31A-17-404 through 31A-17-404.4 in determining the limitation of risk under this section.
- (3)
- (a) The commissioner may adopt rules, after hearings held with notice provided under Section 31A-2-303, to specify the maximum exposure to which an assessable mutual may subject itself.
 - (b) The rules described in Subsection (3)(a) may provide for classifications of insurance and insurers to preserve the solidity of insurers.
- (4) As used in this section, a "single risk" includes all losses reasonably expected as a result of the same event.
- (5) A company transacting fidelity or surety insurance may expose itself to a risk or hazard in excess of the amount prescribed in Subsection (2), if the commissioner, after considering all the facts and circumstances, approves the risk.

Amended by Chapter 349, 2009 General Session